



Trends April 2017

In their April 2017 Short Range Outlook (SRO), the World Steel Association has forecasted that global steel demand will increase by 1.3% to 1535.2 million tonnes in 2017 and will grow by 0.9% to 1548.5 mt in 2018. But more critically, the projections indicate India to lead global steel demand with growth rates at 6.1% in 2017 and 7.1% in 2018. Chinese steel demand growth considered flat in 2017 and declining in 2018.

WORLD ECONOMY AT A GLANCE

- The rate of growth of the global manufacturing sector slowed to a three-month low at the start of Q2 2017 as reflected in the J.P.Morgan Global Manufacturing PMI which slipped to 52.8 in April 2017, down from 53.0 in March 2017. The silver lining is of course that the perceived slowing down of the index was mild and with April 2017 value as above, the PMI has now registered above the no-change mark of 50.0 in each of the past 14 months, as reported by Markit Economics.
- The report also indicates that though the US saw a mild deceleration, this was offset by accelerations in the Euro area, Japan and the UK. Further, the slowdown in emerging markets was mainly centred on China.
- Business confidence remained positive in April 2017 and the reports indicate rise in the rate of growth of new export orders. Also, besides rising inflows of new work and outstanding business, job growth was recorded for the eighth time in as many months. Average input costs and output charges both eased further from recent highs.

Key Economic Figures			
Country	GDP 2016: % yoy change*	Manufacturing PMI	
		March 2017	April 2017
India	7.0	52.5	52.5
China	6.7	51.2	50.3
Japan	1.0	52.4	52.7
USA	1.9	53.3	52.8
EU 28	1.9	56.2	56.7
Brazil	-3.6	49.6	50.1
Russia	-0.2	52.4	50.8
South Korea	2.7	48.4	49.4
Italy	1.0	55.7	56.2

Source: GDP-official estimates; PMI- Markit Economics, *provisional

GLOBAL CRUDE STEEL PRODUCTION

World Steel Association (worldsteel) data shows that world crude steel production for April 2017 was 142.08 million tonnes (mt), up by 5 per cent year-on-year (yoy) i.e. over April 2016 and was 550.84 mt during January-April 2017, up by 5.2% yoy.

World Crude Steel Production: January - April 2017*			
Rank	Country	Qty (mt)	% change over last year
1	China	273.87	4.6
2	Japan	34.98	1.9
3	India	33.16	7.1
4	United States	27.01	2.9
5	Russia	23.99	3.4
6	South Korea	22.75	2.8
7	Germany	14.82	3.3
8	Turkey	11.81	12.0
9	Brazil	11.14	14.4
10	Italy	8.11	2.5
	Top 10	461.64	4.6
	World	550.84	5.2
Source: worldsteel, JPC; * provisional			

- China produced 72.77 mt of crude steel in April 2017, up by 4.9 per cent over April 2016 and production stood at 273.87 mt during January-April 2017, up by 4.6% yoy. China remained the largest crude steel producer in the world, fuelling world production, which, excluding China, was up by 6 per cent. China accounted for 72 per cent of Asian and 50 per cent of world crude steel production during this period.
- April 2017 Japanese crude steel production (8.75 mt) was up by 3 per cent and was at 34.98 mt, during January-April 2017, up by 1.9% yoy. The country remained the second largest crude steel producer in the world during 2017 so far.
- With a 6 per cent share in total world production and a 7 per cent rise in production over same period of last year, India remained the third largest crude steel producer in the world in January-April 2017.
- Crude steel production in the EU (28) countries during April 2017 was at 14.29 mt, up by 6.1 per cent yoy and was at 56.84 mt, during January-April 2017, up by 4.5% yoy.
- At 98.59 mt, Asian crude steel production was up by 4.8 per cent in April 2017 and at 378.56 mt, during January-April 2017, it was up by 5.1% yoy. Asia accounted for 69 per cent of world crude steel production during this period.
- The top ten countries accounted for 84 per cent of world crude steel production and recorded a yoy production growth of 4.6 per cent during this period.

THE STEEL WORLD LAST MONTH

THE AMERICAS

- A wide-ranging trade case has been initiated in the USA against carbon and alloy steel wire rod from ten countries. The petitioners in the anti-dumping and countervailing trade case include Gerdau Ameristeel US, Nucor, Keystone Consolidated Industries and Charter Steel. Collectively, wire rod imports from the ten countries – Belarus, Italy, South Korea, Russia, South Africa, Spain, Turkey, Ukraine, the UAE and the UK – totalled 642,538 tonnes and was valued at \$272.20 million in 2016, according to the US Commerce Department. The highest alleged dumping margins in the case were for Russia at 756.93%, while the alleged margins for Italy were the lowest, at 18.89%.
- The US Department of Commerce has issued final dumping margins for CTL plate for companies in Austria, Belgium, France, Germany, Italy, Japan, South Korea and Taiwan, ranging from 3.62% to 148.02%.
- Construction of a steelworks near the Mutun iron ore mine in Bolivia is a step closer following the completion a technical evaluation required to move the project forward.
- Nucor is investing \$8.1 million in its Memphis SBQ mill in order to move value-added services in-house. The expansion will add boring, cut-to-length, polishing, grinding, turning and straightening services.
- US producers are seeking antidumping duties on cold-drawn carbon and alloy mechanical tubing from China, Germany, India, Italy, South Korea and Switzerland and countervailing duties on material from China and India, according to a recent petition filed.
- Mexican steel industry group Canacero is requesting the country's ministry of economy to renew the temporary 15% import tariffs imposed on imports of several steel products and, furthermore, wants to bring the totality of steel imports under this measure.

ASIA

- Southern China's Yunnan province has set its steel capacity elimination plan for 2017, pledging to scrap 0.31 mtpa of pig iron and 0.5 mtpa of crude steel capacity by no later than May 2017. The province also aims to eliminate IF of a combined 5.5 mtpa capacity.
- The WTO has confirmed that its dispute settlement body (DSB) has set up a panel to adjudicate Japan's complaint against India over the imposition of safeguard import duties on HRC. Also, it has established a panel to resolve the dispute between China and the EU over the former's claim to market economy status in anti-dumping cases.
- Liaoning province has set itself a goal of eliminating all IF steel capacity by the end of June 2017 which amounts to scrapping of 10.067 mtpa capacity.
- Japan's Kyoei Steel plans to lift rebar output by 11% at Vina Kyoei Steel during 2017, its mini-mill joint venture in southern Vietnam.
- India's Steel Ministry is planning to rank non-integrated secondary steel producers to help them access cheaper capital. It is also expected to put forward a proposal that would "make it mandatory to use Indian-made steel in key projects".
- India's JSW Steel plans to hike capacity to 45 mt by 2030.
- India emerged as a net exporter of steel in the last financial year, with exports (8.25 mt) outpacing imports (7.23 mt).

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- India has objected to Japan's request to the WTO to put in place early time frames for a "prompt" resolution of its dispute against India's penal duties on steel imports.
 - India's DGAD has recommended definitive anti-dumping duty (ADD) on HRC, CRC and MS Plates from China PR, Japan, Korea RP, Ukraine, Russia, Brazil and Indonesia.
 - Vietnam will impose final ADD on HDG and aluminum/zinc-coated sheet from China, including Hong Kong (3.17-38.34%) and South Korea (7.02-19%) for five years effective April 14, 2017.
 - Malaysia has imposed safeguard duties on imports of rebar, wire rod and deformed bar-in-coil for three years starting 14 April 2017. They will stand at 13.42%, 12.27% and 11.10% for the first, second and third year respectively, with 13 April 2020 being the expiry date.
 - Thailand has notified WTO that it plans to extend for a further three years the safeguard duties on imports of non-alloy HR sheet, coil and plate, which are due to expire on June 7 2017. The safeguard duties will be 21% for the first year, falling to 20.87% and 20.74% in subsequent years.

RUSSIA, MID-EAST, AFRICA, AUSTRALIA

- Russia's federal antimonopoly service (FAS) has detected no violation of their dominant position in the Russian rebar market by Severstal, Evraz and Mechel and terminated its investigation into domestic rebar price hikes that took place during April-June 2016.
- Metalloinvest has contracted Danieli to revamp the vacuum degasser at its Ural Steel plate and sections plant in Novotroitsk, Orenburg region.
- Russia's Industry & Trade Ministry has approved a loan for Chelyabinsk Metallurgical Plant to develop production of rails, beams and sections for export at an investment of 1.52 billion rubles (\$27 million).
- UAE rebar producer Union Iron & Steel is to upgrade its bar mill with the installation of a billet welding system to enable endless rolling.

EU AND OTHER EUROPE

- The European Union, the United States and Canada have asked the WTO's Committee on Subsidies to launch a discussion on "the role of subsidies in creating over-capacity and options for addressing this issue."
- The European Commission has decided not to impose provisional duties on HRC from Brazil, Iran, Russia, Serbia and Ukraine, despite finding injury to domestic producers.
- The European Commission has imposed definitive ADD on HRC of Chinese origin, ranging from 18.1% to 35.9%.
- Italian stainless steel producer Acciai Speciali Terni is aiming to increase its production of stainless tubes to 90,000 tpa by 2019 from the present 65,000 tpa.
- ArcelorMittal has opened its JV bidding for Ilva to Cassa Depositi e Prestiti, the state-owned lending institution.
- Tata Steel is planning to write a cheque of £520 million pounds (\$663 million) to its UK pensioners as a one-time settlement under a new and rare scheme called the Regulated Appointment Arrangement.

[Source Credit: Metal Bulletin, Platts, leading news papers (India news)]

WORLD STEEL PRICE TRENDS

Q2 2017 opened on softening trends for steel prices in major pockets around the world. Demand remained weak and outcome / imposition of trade actions were under the limelight. Cyclone Debbie disrupted the Australian coal supply chain, pushing up its prices to record level, albeit temporarily. China continued to be at the centre of all global actions with its targets for capacity elimination. Markets overall remained optimistic, riding on the hopes of a demand resurgence.

Long product

- US rebar prices softened in April 2017, after mills cancelled a \$25/t hike of last month. Expectations are, however, high of a pick-up in activities as decisions on a major rebar trade case are awaited in May. Transactions, as per Metal Bulletin reports, were quoted at around \$535-540/t at month-end.
- European rebar market was broadly stable in April 2017 but activities were limited in view of low demand. Transactions, as per Metal Bulletin reports, were quoted at around €410-430/t (\$447-468) in Southern Europe and at around €460-470/t (\$501-512) in Northern Europe.
- China's spot rebar prices moved south in April 2017 as demand remained subdued. Transactions, as per Metal Bulletin reports, were quoted at around 3340-3370 yuan/t in Shanghai and at around 3400-3440 yuan/t in Beijing. All prices are ex-w and includes VAT.
- April 2017 Russian rebar prices slipped in view of weak demand and given that prices had already peaked earlier in view of rising coking coal prices. Transactions, as per Metal Bulletin reports, were quoted at around 27,000-29,500 roubles/t (\$482-526) cpt Moscow, including VAT for 12mm A500C rebar.

Flat products

- US flat steel prices slipped in April 2017 as demand from core sectors like auto remained subdued. Imports continued but as analysts point out, may fall in future due to a Section 232 probe filed by the US administration, into whether foreign steel is a threat to national security. HRC transactions, as per Metal Bulletin reports were placed at around \$640-650/t.
- European HRC prices fell in April 2017 following global trends and its own weak domestic demand. Transactions, as per Metal Bulletin reports, were quoted at around €530-550/t (\$578-600) ex-w in Northern Europe and at around €510-520/t (\$556-567) ex-w in Southern Europe. Analysts also indicate that the EC's decision not to impose preliminary duties on imports of HRC from Russia, Iran, Brazil, Ukraine and Serbia has also adversely impacted market sentiments.
- Though it inched up at month-end, yet compared to last month, China's HRC prices dropped in April 2017 in view of weak demand/limited trading activities. HRC transactions, as per Metal Bulletin reports, were quoted at around 3140-3170 yuan/t in Shanghai and at around 3080-3120 yuan/t in Tianjin at month-end. All prices are ex-w and includes VAT.
- Russian domestic prices for HR sheet dropped in April 2017 due to poor demand but overall remained stable. Metal Bulletin's price assessment for 4mm HR sheet was at around 38,000-38,950 roubles/t (\$678-695) cpt Moscow, including VAT.

[Source Credit: Metal Bulletin]

SPECIAL FOCUS

worldsteel SRO affirms strengthening of steel recovery

In their April 2017 Short Range Outlook (SRO) for 2017 and 2018, the World Steel Association (worldsteel) has forecasted that global steel demand will increase by 1.3% to 1535.2 million tonnes (mt) in 2017, following growth of 1% in 2016 and will grow by 0.9% to reach 1548.5 mt in 2018. Following is a summary report based on the SRO released by worldsteel:

- **Global economy is gaining strength, but uncertainty escalates:** Despite strengthening of economic performances across most regions, the SRO points to a number of geopolitical changes as causes for concern viz. US policy uncertainties, Brexit, the rising populist wave in current European elections and the potential retreat from globalisation and free trade under the pressure of rising nationalism. At the same time, it points out that while ongoing conflicts in the Middle East and in Eastern Ukraine appear to be reducing, the probable US FED interest rate increase and any appreciation of the US dollar is likely to have a global impact.
- **Oil and other commodities:** Oil price rise is expected to be mild and any spike in oil prices to the levels as seen in 2010-12 seems unlikely despite the recent OPEC agreement on oil production cuts. Also, other commodity prices rebounded due to stronger activities in China. The mildly rising oil prices may in fact, stimulate investment in economies worldwide, as per the SRO.
- **Automotive sector will decelerate, but construction sector could pick up:** Amongst major steel consuming sectors, the SRO indicates that growth in the top performer automotive sector - a key steel demand driver in the developed economies - may now be approaching a peak. However, the construction, building and infrastructure sector, which accounts for 50% of global steel use, appears to be bouncing back in the developed economies. Given the fact that this sector has been a major driver for steel demand in the developing countries driven by urbanisation, the overall picture is encouraging. At the same time, the SRO has pointed out that while the machinery sector could also benefit from rising investment activities, depression in shipbuilding activities is expected to continue for some time given the global glut in shipping capacity.
- **China slowdown:** Led by the government's mini stimulus measures that produced a short term boom in infrastructure investment and the housing market, China's steel use showed a growth of 1.3% in 2016. While the Chinese economic outlook appears stable and steel demand continues to remain strong in the early part of 2017, this, as per the SRO, is expected to gradually decelerate as the government tries to retighten its real estate policies. As such, the SRO has projected China's steel demand to remain flat in 2017 and then decline by 2% in 2018.

- Developed world:** Benefiting from strong fundamentals, newly announced measures related to fiscal stimuli and rising infrastructure spending, the USA is expected to continue to lead growth in the developed world in 2017-18. However, despite a recovery in oil prices, the SRO has pointed out that a rebound of investments in the oil and gas sector may be limited given the increased efficiency of shale producers. On the EU, the SRO has indicated that recovery there is strengthening - while the Eurozone monetary policy is expected to remain on its current path (at least in 2017), fiscal tightening is not expected to strengthen further and risk of disinflation has significantly receded. Given that political stability can be maintained, the SRO has pointed out that investment is expected to pick up to provide a further boost to the recovery. For Japan, the SRO has pointed out that benefiting from the improving global economy and weak yen, steel demand there is expected to show a stable recovery. Overall, steel demand in the developed economies is expected to go up by 0.7 % in 2017 and 1.2 % in 2018 as per the SRO.
- Developing world:** Perceived stability in the Russian and Brazilian economies, both of which are expected to show modest growth in 2017, the resumption of growth (though slightly weakened) in case of India following the demonetisation impact and strong growth trends in the ASEAN countries in 2017-18 are major factors affecting growth positively. However, the SRO points out that the region remains vulnerable to currency volatilities associated with US interest rate hikes and dollar appreciation. As such, overall steel demand in the emerging and developing economies (excluding China) is expected to grow by 4% in 2017 and then 4.9% in 2018.

Worldsteel Short Range Outlook, April 2017						
Region	ASU (mt)			Growth Rate (%)		
	2016	2017(f)	2018(f)	2016	2017(f)	2018(f)
EU28	157.4	158.2	160.4	2.3	0.5	1.4
Other Europe	40.7	41.7	43.2	0.6	2.6	3.5
CIS	48.7	50.2	51.9	-4.1	3.2	3.4
NAFTA	132.2	135.2	138.5	-1.5	2.2	2.4
Central/South America	39.4	40.8	42.7	-13.6	3.5	4.7
Africa	37.9	38.4	40.0	-2.1	1.5	4.1
Middle East	53.1	54.8	56.8	-1.3	3.1	3.7
Asia and Oceania	1005.6	1016.0	1015.0	2.3	1.0	-0.1
World	1515.0	1535.2	1548.5	1.0	1.3	0.9
Developed Economies	398.7	401.5	406.2	-0.1	0.7	1.2
Emerging and Developing Economies	1116.3	1133.7	1142.3	1.3	1.6	0.8
China	681.0	681.0	667.4	1.3	0.0	-2.0
MENA	72.6	74.4	77.2	-0.5	2.5	3.8
Em. and Dev. Economies excl. China	435.3	452.7	474.9	1.4	4.0	4.9
World excldng China	833.9	854.2	881.1	0.7	2.4	3.1
Source: World Steel Association; f=forecast						

INDIAN STEEL MARKET ROUND-UP

The following is a report on the performance of Indian steel industry in terms of total finished steel during April 2017 based on provisional data released by JPC. All growth comparisons are with regard to same period of last year.

Total Finished Steel (alloy + non-alloy)	Performance Highlights		
	April 2017* (mt)	April 2016* (mt)	%yoy change*
Production for sale	8.480	7.757	9.3
Import	0.504	0.654	-22.9
Export	0.746	0.309	141.4
Consumption	6.294	5.816	8.2
Source: JPC ;*provisional			

Production for sale

- During April 2017, production for sale stood at 8.48 mt, a growth of 9.3 per cent compared to same period of last year, in which contribution of the non-alloy steel segment stood at 7.731 mt (up by 10 per cent), while the rest was the contribution of the alloy steel segment (including stainless steel), where production for sale was up by 2.6 per cent.
- Analyzing by broad divisions, in the total production for sale of finished non-alloy steel, contribution of the non-flat segment stood at 3.535 mt (up by 3 per cent) while that of the flat segment stood at 4.196 mt (up by 17 per cent).
- Analyzing by segments, one finds that in the non-flat, non-alloy segment, production for sale of bars & rods, structurals and railway materials stood respectively at 2.8 mt (up by 2 per cent), 0.64 mt (up by 5 per cent) and 0.99 mt (up by 25 per cent).
- On the other hand, for the flat segment, with the exception of HR sheets (down by 3 per cent) and CRC (0.63 mt, down by 0.2 per cent), production for sale was up for all other leading items like Plates (0.38 mt, up by 29 per cent), HRC (2.2 mt, up by 29 per cent) and GP/GC Sheets (0.62 mt; up by 7 per cent).

Export

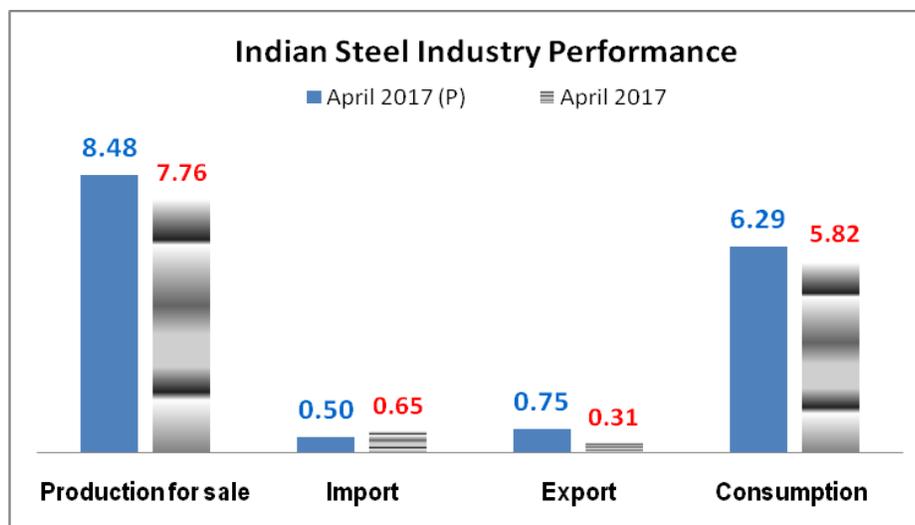
- During April 2017, export of total finished steel was 0.75 mt, up by 141 per cent compared to same period of last year.
- Contribution of the non-alloy steel segment stood at 0.644 mt (up by 135 per cent) while the rest was that of alloy steel (including stainless steel) segment, where exports were up by 191 per cent.
- In the total export of finished non-alloy steel, export of non-flat was at 0.103 mt (up by 134 per cent) and that of flat steel was at 0.541 mt (up by 135 per cent).
- In the non-alloy, non-flat segment, in volume terms, major contributor to export was bars & rods (0.071 mt, up by 92 per cent) while growth in exports in the non-alloy, flat segment was led by HRC (0.186 mt).

Import

- Import of total finished steel during April 2017 was at 0.504 mt, down by 23 per cent compared to same period of last year.
- However, with exports at 0.746 mt, India remained a net exporter of total finished steel during April 2017.
- In total finished steel import, contribution of the non-alloy steel segment was 0.367 mt (27 per cent decline) while the rest was the contribution of alloy steel (including stainless steel) segment, which was down by 10 per cent.
- In the import of total finished non-alloy steel, non-flat imports were at 0.004 mt (down by 29 per cent) and flat imports were at 0.33 mt (down by 27 per cent).
- In the non-alloy, non-flat segment, major contributor to import was bars & rods (0.034 mt, down by 21 per cent) while for the flat segment, import was led by HRC (0.11 mt; down by 48 per cent).

Consumption

- During April 2017, real consumption (or simply consumption) of total finished steel stood at 6.294 mt, a growth of 8.2 per cent over same period of last year.
- For non-alloy steel, contribution of the non-flat segment stood at 3.22 mt, up by 1 per cent over same period of last year and that of the flat segment (after accounting for double counting) stood at 2.51 mt, up by 20 per cent over same period of last year, taking total non-alloy consumption (after double counting) to 5.727 mt, up by 8.7 per cent. The remainder was the contribution of the alloy/stainless segment, which reported a growth of 4 per cent during this period.
- In the non-alloy, non-flat segment, the major contributor to consumption was bars & rods (2.6 mt; up by 0.4 per cent) whereas for the flat segment, consumption was led by HRC (1.86 mt, up by 16 per cent).



JPC Market Prices (Retail)

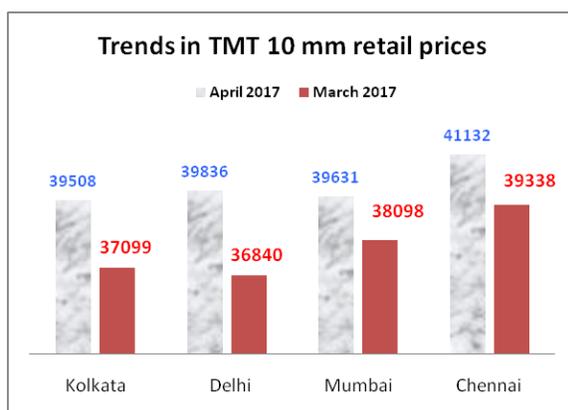
Delhi market prices: Compared to April 2016, average (retail) market prices in Delhi market in April 2017 increased for both long products (represented by TMT 10 mm) and flat products (represented by HRC 2 mm), largely in response to domestic demand-supply conditions and global influences. When compared to March 2017, the trend was similar to above for both TMT and HRC. The situation in April 2017 with regard to April 2016 is shown in the table below for TMT 10 mm and HRC 2.0 mm.

Trends in JPC market price (retail) in Delhi market in April 2017		
Item	Delhi market prices (Rs/t)	% change over April 2016
TMT, 10 mm	39836	10.7
HRC, 2.0 mm	41500	20.3
Source: JPC		

All markets: Compared to April 2016, average (retail) market prices in April 2017 increased for both long products (represented by TMT 10 mm) and flat products (represented by HRC 2 mm) in all metro cities, largely in response to domestic demand-supply conditions and global influences. Compared to March 2017, however, the trend was one of straight increase across markets for long products while HRC prices rose in all markets except Kolkata (where it declined marginally). The situation in April 2017 with regard to April 2016 is shown in the table below for TMT 10 mm and HRC 2.0 mm for all the four markets.

Trends in JPC (retail) market price: %change in April 2017 over April 2016				
Item	Kolkata	Delhi	Mumbai	Chennai
TMT 10mm	7.9	10.7	13.0	10.0
HR Coils 2.00mm	15.4	20.3	19.5	25.4
Source: JPC				

TMT prices were highest in the Chennai market (Rs 41,132/t) and lowest in the Kolkata market (Rs 39,508/t) while HRC prices were highest in the Chennai market (Rs 46,550/t) and lowest in the Delhi market (Rs 41,500/t) during April 2017.



INDIAN ECONOMY – HIGHLIGHTS OF PERFORMANCE

GDP: The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation has released the 2nd Advance estimates of national income at constant (2011-12) and current prices, for the financial year 2016-17. As per their report, Real GDP or Gross Domestic Product (GDP) at constant (2011-12) prices in the year 2016-17 is likely to attain a level of Rs 121.65 lakh crore, as against the First Revised Estimate of GDP for the year 2015-16 of Rs 113.58 lakh crore. The growth in GDP during 2016-17 is estimated at 7.1 per cent as compared to the growth rate of 7.9 per cent in 2015-16. Real GVA, i.e. GVA at basic constant prices (2011-12) is anticipated to increase from Rs 104.70 lakh crore in 2015-16 to Rs 111.68 lakh crore in 2016-17. Anticipated growth of real GVA at basic prices in 2016-17 is 6.7 percent against 7.8 percent in 2015-16. The sectors which are likely to register growth rate of over 7 per cent are 'public administration, defence and other services', 'manufacturing' and 'trade, hotels, transport, communication and services related to broadcasting'. The growth in the 'agriculture, forestry and fishing', 'mining and quarrying', 'electricity, gas, water supply and other utility services', 'construction' and 'financial, real estate and professional services' is estimated to be 4.4 per cent, 1.3 per cent, 6.6 per cent, 3.1 per cent and 6.5 per cent respectively.

Industrial Production: The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation has revised the base year of the all-India Index of Industrial Production (IIP) from 2004-05 to 2011-12 while at the same time, reviewing the basket of items and associated weightages under coverage. As per this revised data, the IIP was up by 2.7 per cent in March 2017 (2.5 per cent as per old series) and the index grew by 5 per cent during 2016-17 (0.7 per cent as per old series). Mining (5.3 per cent), Manufacturing (4.9 per cent) and Electricity (5.8 per cent) - all the three lead sectors contributed in equal measure to overall growth. Under the New Series, the Use-Based Classification has been re-framed by replacing "Basic Goods" with "Primary Goods" and introducing a new "Infrastructure/ Construction goods" category.

Inflation: The annual rate of inflation, based on monthly WPI whose base was reviewed and revised to 2011-12 from 2004-05, stood at 3.85 per cent (provisional) for the month of April 2017 (over April 2016) as compared to 5.29 per cent (provisional) for the previous month. Build up inflation rate in the financial year so far was (-) 0.18% compared to a build up rate of 1.21% in the corresponding period of the previous year. The all India CPI inflation rate (combined) for April 2017 stood at 2.99 cent as compared to 3.89 per cent of previous month.

Infrastructure Growth: The yoy growth rate of the eight core infrastructure industries was up by 5 per cent in March 2017 depressed by declining growth rates in Cemebt and by 4.5 per cent in April-March 2016-17, led by the growth rates in all sectors except crude oil, natural gas and cement.

Trade: Provisional figures from DGCI&S show that during April 2017 in dollar terms, overall exports were up by 19.77 per cent while overall imports were up by 49.07 per cent, both on yoy

basis. During the same period, oil imports were valued at US\$ 7359.27 million, 30.12 per cent higher yoy while non-oil imports were valued at US\$ 30525.01 million, 54.50 per cent lower yoy. The trade deficit for April 2017 was estimated at US\$ 13249.19 million which was 173.47% higher than the deficit of US\$ 4844.87 million during April 2016.

Policy:

- RBI's new M&A rules seek reporting of all deals which are not on the automatic route to be more stringent and time-bound, and provide for mandatory permission.
- The central government has allowed state governments to borrow directly from bilateral overseas lending agencies to fund major infrastructure projects.
- The RBI has issued a new set of enabling provisions to resolve the problem of banks' mounting NPAs.
- GST Council clears bulk of rules for new tax regime.

Prepared by Joint Plant Committee